

Committee on Banking and Insurance

CS/HB 215 — Risk Retention Groups

by Insurance & Banking Subcommittee and Rep. Truenow (CS/SB 846 by Banking and Insurance Committee and Senator DiCeglie)

The bill provides that motor vehicle liability insurance coverage issued by a risk retention group operating in accordance with 15 U.S.C. ss. 3901 et seq., which conducts business in this state pursuant to s. 627.944, F.S., satisfies the financial responsibility requirements of Florida's state motor vehicle law.

Risk retention groups sell insurance to eligible members, do not submit rate and form filings to state regulators, and are not members of state guaranty associations that manage claims if an insurer becomes insolvent. Members of a risk retention group must be engaged in similar businesses or activities that have similar exposures due to the type of business, trade, product, service, premises, or operations. Risk retention groups certified or licensed in states other than Florida must comply with s. 627.944, F.S., in order to do business as a risk retention group in this state. Federal law under 15 U.S.C. s. 3902, generally exempts risk retention groups meeting certain requirements from state laws that would make unlawful the operation of a risk retention group that assumes or spreads the liability exposure of its group members.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect July 1, 2024.

Vote: Senate 39-0; House 119-0